



# state senator Teresa Lubbers

2005 LEGISLATIVE UPDATE

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## The State Budget: Holding the Line on Spending

LEGISLATURE PASSES FIRST BALANCED BUDGET IN 10 YEARS

The Indiana General Assembly passed a balanced two-year state budget that holds the line on spending, eliminates the structural deficit, adds no new state taxes, provides \$4 billion in property tax replacement credits, and adds \$112.4 million to K-12 education.

The Senate voted to control state spending while boosting funding for K-12 education, scholarships for higher education and child protection. Medicaid funding is held to a 5 percent increase. This is in contrast to the 10 percent growth experienced during the current biennium.

The passage of this budget is significant. To overcome a \$600 million structural deficit and end up with reserves – all without new state taxes – was difficult but put the state on the right course.

Education funding remained a top priority by the Senate. The school funding formula is driven by an innovative approach that funds children instead of simply funding corporations. Special factors, such as poverty, single parent families and non-English speaking students, are taken into consideration when determining the level of funding that is to follow a child.

The General Assembly continually has increased education spending in past years, even when other states were cutting education. In 2003, Indiana had the highest

increase of K-12 funding in the country – during a national recession. The new budget gives more money and adds funding options to Indiana public schools.

Additionally, the budget distributes to local governments \$4 billion in property tax replacement credits (PTRC), in an effort to provide relief to homeowners and other property taxpayers. Local governments and schools keep 99.9 percent of all property taxes, which are levied by local governments and schools. Half of all revenue raised by the state sales tax is used for PTRC, as is 14 percent of the income tax and nearly a half billion dollars every year from the wagering tax.

Earlier in the session, senators voted to pass a measure to reform the property tax system by giving local governments an option to shift the property tax burden to an income tax in order to be more fair and equitable to Hoosiers. The initiative was successful in the Senate but failed to pass the House of Representatives. Property taxes remain too high, and I am committed to greater relief and less reliance on this form of taxation.

The new budget is a prescription for positive change in Indiana. It is the first balanced budget crafted by legislators in 10 years. I strongly support these efforts to keep spending down while providing adequate funding for essential services.

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### FIGHTING IDENTITY THEFT

Identity theft has become a major crisis in the United States in the past several years. As of September of 2003, 27.3 million Americans had been victims of identity theft, with more than 9 million of those occurring in 2003. The cases of identity theft in that year cost businesses and financial institutions \$48 billion, and cost consumers \$5 million in out-of-pocket losses.

Senate Enrolled Act 503 makes it a Class A felony for an agency to knowingly disclose a Social Security Number (SSN) without written consent from the individual. There are currently 62 state agencies that collect SSNs, and the bill will require each of them to obtain consent from a consumer before releasing his or her number, unless it is requested under federal law. The bill also requires a consumer to be notified if their number has been released without their knowledge.

Indiana has recently seen its share of identity theft offenses. In 2003, only 17 states had more per capita cases of identity theft than Indiana. This legislation is a positive precautionary measure that will help decrease the instances of identity theft in Indiana.

### PROTECTING VICTIMS

In 2003, the state's sex and violent offender registry was modernized, including the requirement of a photograph of the offender that could be viewed by the public. Currently, thousands of people who have committed sex crimes or crimes against children are registered with the state. The Governor signed into law a bill that I authored to enhance the effectiveness of the registry. The bill allows neighborhood associations to receive semi-annual updates of the list.

The bill also includes a provision establishing an automated victim notification system within the Department of Corrections. The system will notify the victim of a crime when the offender's status changes or if the status of court cases are changed. Victims deserve to know the whereabouts of those who have injured them.

## Rx FOR INDIANA

### IMPROVING ACCESS TO PRESCRIPTION DRUGS

Last month, Gov. Mitch Daniels created "Rx for Indiana," a pharmaceutical patient assistance program which allows lower-income Hoosiers to receive the prescription drugs they need for free or at significantly reduced prices. Since the beginning of the program in early March, more than 37,000 Indiana residents have qualified for the program.

Nearly 60 health care, business, community and consumer groups have joined the Governor to help improve Indiana citizens' access to prescription medicine.

There are many pharmaceutical patient assistance programs across the country, which last year provided more than 22 million prescriptions to Americans. The Rx for Indiana program was developed to build upon the success of other national programs, as it links patients with information about pharmaceutical assistance programs provided by companies and the state and federal government.

Rx for Indiana provides residents access to information about more than 275 public and private prescription assistance programs that provide more than 1,800 medications.

In order to take part in the program, Indiana residents must answer a few short questions to verify eligibility. The resident will then be informed of the pharmaceutical patient assistance programs for which he or she qualifies.

Rx for Indiana can save individuals thousands of dollars per year. Before the establishment of Rx for Indiana, only about one in 10 Hoosiers were taking advantage of the reduced cost medications available. We hope that with the creation of this program, many more Hoosiers will be able to access the medications they need.

To apply for the Rx for Indiana program, visit [www.rxforindiana.com](http://www.rxforindiana.com) or call toll-free 1-877-793-0765.

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Above: Sen. Lubbers speaks to the Senate about the legacy of Dr. H. Dean Evans.

## Senate Honors Educational Leader

This year I sponsored a resolution honoring the late Dr. H. Dean Evans, former Superintendent of Public Instruction for the State of Indiana and a role model to many Hoosiers.

Dean Evans was born on September 1, 1929, in Indianapolis. He graduated from Arsenal Technical High School and later graduated with degrees from both Franklin College and Indiana University.

Dr. Evans was the model educator, serving as a teacher, a counselor, a coach, a principal, and superintendent in the Washington Township School Corporation. In honor of his contributions, the Washington Township School Board renamed the district's community and education center the H. Dean Evans Community and Education Center.

During his tenure as Indiana's Superintendent for Public Instruction, Dr. Evans created and successfully implemented the A+ Education Reform Package, a comprehensive program that has served as a national model for improving student academic achievement.

Dr. Evans was a man of great character and faith. Like so many others, I considered him a friend and mentor, and I am deeply grateful for his contributions to Indiana's schools and students.

**SEA 484** — Requires the State Police department to provide and pay for health coverage for the surviving spouse and dependent children of state police officers killed in the line of duty. **PASSED. My vote: YES**

## Much Accomplished in 2005

A variety of issues didn't make big headlines, but they may make a big impact on Hoosiers.

Many feel daylight-saving time and the expansion of the Indiana Convention Center and new stadium dominated the 2005 legislative session, but the General Assembly passed many initiatives that will be beneficial to citizens across Indiana. We addressed issues such as election reform, National Guard benefits, child protection laws, education, and improving health care services. The following are just a few examples of this year's accomplishments:

**Elections** – We worked diligently this session to give voters confidence that our elections will be fair, open and honest. A bill passed that tightens restrictions on obtaining an absentee ballot. The bill does not make registering to vote more difficult; it simply creates new safeguards to protect the rights of honest absentee voters. We also passed legislation that will require voters to show a picture ID issued by the state or federal government (such as a driver's license or state ID card). Without proof of identification, it is easy for fraudulent voters to use different names at different times on Election Day. Considering recent nationwide voting problems, and some within Indiana, this is a common-sense step to help prevent fraud.

**National Guard Benefits** – Our National Guard members are serving overseas in Bosnia, Kosovo, Afghanistan, Iraq and several other countries. Because of the huge sacrifice these men and women are making on our behalf, we passed a measure that exempts spouses and children of Guard members killed in the line of state active duty from paying tuition at any state educational institution. This bill was authored to help support those dependents and spouses who endure financial difficulties after losing a loved one in state active duty.

**Child Protection** – The General Assembly also passed legislation aimed at

protecting Hoosier children. Two bills in particular will enhance the effectiveness of our sex offender and violent offender registry. The bills add the possession of child pornography to the 14 existing offenses and also allow neighborhood associations to receive the semi-annual updates of the list. We also created the Department of Child Services to handle child support, child protection, adoption and foster services. This new department will focus only on children and their families.

**Education** – For many years, the legislature has funded school districts on the basis of a "minimum guarantee." The Senate's new school funding plan recognizes that every child deserves a foundation of funding. The formula first determines an amount needed for the "basic" education of each child. Additional funding is disbursed based on other needs and achievements. The use of a minimum guarantee for school corporations reached the point where 263 out of 295 school corporations operated without regard to how many children were enrolled in their schools. Some corporations lost 30 percent of their enrollment over the last six years but saw their funding per child increase by as much as 75 percent. In a time when the state must utilize a limited amount of money, it is imperative that we drive more money into the classroom and on the needs of each child.

**Health Care** – We passed a bill that creates a panel of experts to develop a medical information system for Indiana. A medical information system would connect physicians' offices, pharmacies, laboratories, imaging centers, hospitals and other medical facilities. If a person became ill in another part of the state, a physician with proper authorization could have immediate access to the person's medications, medical history and lab and X-ray reports. That patient then would receive better, more personalized care. The panel must create a plan that will maintain privacy in the system.

**SEA 12** — The "Code Adam" program sets a protocol for lost or missing children in certain state buildings. This initiative, on a smaller scale, is similar to the popular and successful "Amber Alert" program. **PASSED. My vote: YES**

**HEA 1501**— This bill establishes the position of inspector general, an employee of the governor, who works to weed out corruption. Years of scandal in previous administrations cost the state at least \$25 million. **PASSED. My vote: YES**

## General Assembly works to put CHILDREN FIRST

Improving education in Indiana is always a top priority in the General Assembly. This year, the state tackled several key issues to improve education while providing a safe environment and the skills necessary to succeed in life.

Currently, state law requires children to be five years old on July 1 of a school year to be eligible to attend kindergarten, making Hoosier children the oldest kindergarten students in the country. This year I authored a bill moving the kindergarten enrollment date to include children who turn five years old no later than August 1 of the 2006-2007 school year. While state law does not require parents to enroll children who may not be ready for kindergarten, children who turn five during the summer months are now welcome in our schools.

Charter schools have been operating in Indiana since 2001. These innovative public schools are providing new learning opportunities for Hoosier students, including a large number of at-risk students who were falling behind in a more traditional education setting. I authored legislation this session to address some of the problems which have surfaced in recent years. In particular, the bill addressed funding and reporting issues and provided more parity with other public schools.

Another important initiative requires students, beginning in 2008-2009, to complete the Core 40 curriculum in order to graduate from high school. This program of study requires no additional credits but rather calls for fewer electives and more math, science and social studies classes to fulfill the 40 credit requirement for graduation. There are exceptions for some students whose parents object and for special education students. The bill also requires that parents be notified when a student is in danger of failing the Core 40 requirements and graduate qualifying exam. Four-year public universities will require applicants to complete these Core 40 requirements for admission.



LEFT: Sen. Lubbers introduces one of numerous education proposals she authored this session, including an earlier kindergarten enrollment day and new graduation requirements

The legislature wants to give students every tool available to succeed in higher education and in life. I sponsored a bill this session that requires all school corporations to enter into written agreements regarding credit for high school students taking early college courses. Currently, school corporations merely have the option of entering into these agreements. We hope to further level the playing field by giving students in all school corporations access to these classes.

Finally, the General Assembly pushed through legislation dealing with the dropout epidemic currently impacting our schools. *The Indianapolis Star* published an editorial board series last month dealing with this issue. The newspaper reported that about three of every 10 students drop out of Indiana high schools. In some schools, the drop out rate is dramatically higher, with only one in three students receiving a diploma. According to a Manhattan Institute study, Indiana's graduation rate ranks 30th in the nation.

I sponsored a bill this session that changes the way graduation rates are calculated and requires schools to include all withdrawing students in the determination of a school's graduation rate, with exceptions made for those relocating to other schools. This bill also contains a provision requiring schools to report reasons for suspensions and expulsions, as well as the suspended or expelled student's gender, ethnicity, and disability status. In order to craft effective public policy dealing with these vital issues, we must first know the full extent of the problem.

## Indiana: Open for Business!

This year lawmakers faced the difficult task of pulling Indiana out of a fiscal crisis. While much of that was done in the crafting of the two-year budget, the only permanent way to ensure financial stability is by creating more jobs and putting more money in Hoosiers' pockets.

To create a stronger economy, the General Assembly combined ideas from the Governor with plans from both the Senate and the House of Representatives. These initiatives came in the form of Senate Enrolled Acts 1 and 496.

These two laws contain dozens of provisions that make the state more attractive to companies looking to relocate, existing businesses wishing to expand, and entrepreneurs looking for an incentive to start a business.

One of the most important measures was a sales tax break for research and development equipment. This will encourage high-tech, innovative jobs and efforts to diversify Indiana's economy.

The measures also made it easier to qualify for other tax credits such as Hoosier Business Investment Tax Credits.

One part of Governor Mitch Daniels' agenda was House Enrolled Act 1003. This measure reorganizes the Indiana Economic Development Corporation (IEDC), which was created in 2003. Essentially, the IEDC replaces the Department of Commerce and eliminates several other entities while shifting their power to the IEDC. HEA 1003 makes certain specifications to the IEDC, as well as creating the position of Secretary of Commerce, who will help sell Indiana to business leaders across the country and help existing companies to grow and inspire the formation of more new ventures.

In other bills, the General Assembly enable communities to be "shovel-ready" for property development (HEA 1653), and allowed farmers to switch to more lucrative operations (SEA 67).

The 2005 session of the General Assembly may be remembered as one of the most important and aggressive sessions ever for making Indiana a more attractive place to conduct business.